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Report of the Secretary-General on his mission of good offices in Cyprus

I. Introduction

1. The Cyprus problem has been on the agenda of the Security Council for close to 47 years. The Secretary-General was first asked to use his good offices to seek out a durable solution in Cyprus in March 1964 (Security Council resolution 186 (1964)). Since then successive Secretaries-General and their Special Advisers have undertaken efforts, including the intense yet unsuccessful efforts between 1999 and 2004, to assist the two sides in achieving a comprehensive settlement. As more than four decades of reports to the Security Council have documented, there have been many missed opportunities.

2. Successive Secretaries-General have struggled to reconcile the goal of helping to find a solution for the people of Cyprus with the perpetual challenges of sustaining a useful process. Indeed, the international community has continued, over decades, to invest in the possibility that Cyprus could be the standard-bearer of peace in a troubled region. There is no doubt that the overall peace dividend would be huge for Cyprus, Turkey, Greece and the European Union. The enormous potential in trade, tourism, transport and financial services continues to be stifled by the protracted dispute. Apart from opening up vast economic opportunities for both communities, a comprehensive and durable settlement is the only way that the insecurity suffered by generations of Greek and Turkish Cypriots can be removed. Only through a peaceful settlement can the wounds suffered by both sides begin to heal.

3. In June 2010, my Special Adviser briefed the Security Council on the developments in the negotiations. He recognized that the way ahead was politically difficult for both leaders. He identified the need for the leaders to employ courage in forging a solution and emphasized that both leaders would benefit from the continued support of regional and international actors. The Security Council subsequently adopted resolution 1930 (2010) on 15 June 2010, in which it strongly urged the leaders to increase the momentum in the negotiations to ensure the full exploitation of this opportunity to reach a comprehensive settlement. I proposed in my report of May 2010 (S/2010/238) that I would monitor closely the progress in the negotiations over the following six months. The present report provides my assessment of the state of the process and offers recommendations for the consideration of the Greek Cypriot and Turkish Cypriot leadership and their

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respective communities. I will submit an updated assessment to the Security Council in three months' time.

II. Background

4. The current round of negotiations was initiated following the agreement of 21 March 2008 between the Greek Cypriot leader, Demetris Christofias, and the Turkish Cypriot leader, Mehmet Ali Talat. On 23 May 2008, the two leaders reaffirmed their commitment to a bizonal, bicommunal federation with political equality, as defined by relevant Security Council resolutions. This partnership will have a Federal Government with a single international personality, as well as a Turkish Cypriot Constituent State and a Greek Cypriot Constituent State of equal status (see S/2008/353). On 1 July 2008, in a joint statement, the leaders stated that they had "discussed the issues of single sovereignty and citizenship which they agreed in principle". A further joint statement was issued on 25 July 2008, which affirmed that: "The aim of the full-fledged negotiations is to find a mutually acceptable solution to the Cyprus problem which will safeguard the fundamental and legitimate rights and interests of Greek Cypriots and Turkish Cypriots. The agreed solution will be put to separate simultaneous referenda".

5. In a joint statement issued on 21 December 2009, the leaders expressed the strong hope that 2010 would be the year of solution of the Cyprus problem. On 1 February 2010, the leaders issued a joint statement renewing their strong commitment, recognizing that time was not on the side of a settlement and expressing confidence that with goodwill and determination they could achieve a solution in the shortest possible time. In a joint statement on 30 March 2010, just prior to the suspension of the talks to allow for the Turkish Cypriot leader to contest elections in the north, the leaders reiterated their conviction that their will for a solution would soon lead them to a mutually acceptable solution.

6. On 18 April 2010, a new Turkish Cypriot leader was elected. The new Turkish Cypriot leader, Dervis Eroğlu, and Mr. Christofias both wrote to me affirming their commitment to continue with the talks. The negotiations resumed on 26 May 2010. As reflected in my message made the same day, the leaders agreed to continue the negotiations on the basis of the United Nations parameters, relevant Security Council resolutions and the joint statements made on 23 May 2008 and 1 July 2008.

7. The full-fledged negotiations have now been under way for more than two years. The specific request of the leaders was that the negotiation process must be Cypriot-led and Cypriot-owned. The leaders crafted a structure for the negotiations that involved six working groups, seven technical committees and the full-fledged negotiations, which included both meetings between the leaders and meetings between their chosen representatives. The parties requested that the United Nations host and facilitate the talks. The methodology adopted for the negotiations, as agreed by the leaders, was based on the principle that "nothing is agreed until everything is agreed".

8. From the start of the full-fledged negotiations in early September 2008 until mid-November 2010, the leaders met 88 times. The meetings between the leaders included 29 meetings to discuss issues relating to the governance and power-sharing chapter, 5 meetings on the European Union matters chapter, 8 meetings on the economic matters chapter, 25 meetings on the property chapter, 4 meetings on the

territory chapter and 2 meetings on the security and guarantees chapter. They also held six meetings to discuss the related issues of citizenship, immigration, aliens and asylum. At the leaders' request, additional meetings between the respective representatives and technical meetings at the expert level also took place in order to prepare the groundwork for fuller discussions.

III. Status of the process

9. In assessing the status of the process, I believe it is useful to break down the talks to date into three specific stages: the preparatory period; the initial stage of the negotiation process (up to the elections in the north); and the current stage, involving a new Turkish Cypriot leader. If we include the preparatory period as an integral part of the current negotiations, the talks have now been ongoing for just over two and a half years.

Preparatory period

10. The historic meeting between the Greek Cypriot leader, Demetris Christofias, and the Turkish Cypriot leader, Mehmet Ali Talat, on 21 March 2008 ended four years of standoff between the two sides. At that time, it was decided that a number of working groups and technical committees would be set up to prepare the groundwork for the resumption of full-fledged negotiations. The leaders further agreed to meet again three months later to review the work of the groups and committees and, using their results, to begin the negotiations under my auspices.

11. Also during the meeting of 21 March 2008, the leaders decided to open a crossing at Ledra Street in the centre of old town Nicosia, which had for many years been a symbol of the division of Cyprus. This represented one of the first major confidence-building measures implemented by the two sides. On 3 April 2008, in the presence of citizens from both sides of the divide and members of the international community, Ledra Street was opened by the representatives of the two leaders and the Greek Cypriot and Turkish Cypriot mayors, 44 years after its closing.

12. On 22 April 2008, six working groups and seven technical committees, with representatives from each community, were formally established. The working groups — addressing governance, European Union matters, security and guarantees, territory, property and economic matters — were mandated to seek as much convergence as possible on core areas, highlighting where the sides could not reach agreement and outlining possible options for resolution. The technical committees were tasked with dealing with issues directly affecting the daily lives of members of both communities, including crime/criminal matters, economic/commercial matters, cultural heritage, crisis management, humanitarian matters, health and the environment. The objective of the work of the technical committees was to develop confidence-building measures that could ensure a conducive atmosphere for a settlement by improving the daily lives of Cypriots.

13. The outputs of the working groups represented a review by the two sides of all the chapters of the negotiations as a means of setting an initial "baseline" standard for the talks. Three of the working groups actually produced joint reports that were subsequently used by the leaders. The working groups also established the modus

operandi concerning the procedures of the meetings and the role of the United Nations, which has largely been carried over until today.

14. The meetings of the working groups during this period played an important role in re-establishing regular exchange between the sides and represented the beginnings of greater trust and a confidence-building process. As such, they set a useful foundation for the full-fledged negotiations.

15. During the preparatory period, the leaders also gave instructions for the immediate and full implementation of the 23 confidence-building measures that had been formulated by the technical committees. Since September 2008, slow progress has been made on the implementation of these measures, as well as other initiatives of the technical committees. In April 2009, the leaders reiterated their commitment to four of these confidence-building measures. Overall, of the 23 measures formulated by the technical committees, six have been implemented to date, including the establishment of a joint communications room for the exchange of information on crime and criminal matters, the facilitation of ambulances through crossing points and the implementation of a project to establish an inventory of immovable cultural heritage in Cyprus. In addition, following the agreement reached between the leaders in June 2009, on 14 October 2010 the Limnitis/Yeşilirmak crossing was opened by both leaders. The crossing links the villages of Limnitis/Yeşilirmak, in the north, and Kato Pyrgos, in the south.

16. The commitment to the 23 confidence-building measures made in the preparatory period represented an important building block in the negotiation process. While the subsequent implementation of the confidence-building measures has, on occasion, had the effect of distracting the parties and stalling the talks, in the main it has served to provide relief to both communities by removing daily frustrations in their efforts to interact. The implementation measures have also served as one of the few opportunities to transmit hopeful messages to the public concerning the possibilities and feasibility of a united future. The work of the technical committees remains an important aspect of the overall negotiation process to this day.

Initial negotiating stage

17. The initial negotiating stage began with the formal opening of the full-fledged talks on 3 September 2008. In a major step forward, the leaders completed a "first reading" of the issues that constitute a comprehensive solution — governance and power-sharing, economic affairs, European Union matters, property, territory and security — by August 2009.

18. A "second reading" to increase convergences was initiated in September 2009. During this stage, a number of important convergences were achieved in the areas of governance and power-sharing, the economy and European Union matters. Negotiations on these chapters were carried out through joint papers and bridging proposals prepared by both sides over an extended period, culminating in intensive talks in the first quarter of 2010. This process, albeit a protracted one, enabled the parties to reach convergences and narrow the gap on remaining areas of divergence. Discussions on governance and power-sharing focused on the executive branch, the legislature, federal competences and external relations. Discussions on European Union matters focused mainly on how the positions of a united Cyprus in European Union bodies would be determined, the implementation of the acquis, derogations

and how to accommodate the settlement within the European Union legal framework. Discussions on economic matters focused on federal competences and functions as well as the federal budget. In September 2009, the leaders established an expert group on treaties, which met to discuss which treaties would be applicable to a united Cyprus.

19. Of note during this stage was the progress made during the two rounds of intensive negotiations which took place from 11 to 13 January and 25 to 27 January 2010, representing six full days that the leaders dedicated to the talks. The presentation of substantive papers during this intensive phase proved valuable in providing detailed opening positions and acted as a starting point for the negotiations around specific issues under consideration. From 31 January to 2 February 2010, I visited Cyprus with the aim of showing my personal support for the talks and stressing the need to expeditiously strive for a successful conclusion of the talks. On 30 March 2010, Mr. Christofias and Mr. Talat held their final meeting, by which time the two leaders had made steady progress and I was encouraged by the convergences that had been reached. In particular, I noted that both sides, at that time, were convinced that they could achieve a comprehensive settlement, having asserted in their 1 February statement that "with goodwill and determination, we can achieve a solution in the shortest possible time" and noting that "time is not on the side of settlement".

20. On 18 April, in elections held in the northern part of Cyprus, the Turkish Cypriots elected Derviş Eroğlu as their leader, replacing Mr. Talat. During this period of political contest in the north, the negotiation process was stalled for more than two months.

Current stage

21. Following the elections, both Mr. Christofias and Mr. Eroğlu wrote to me, affirming their commitment to continuing the talks, resuming them from where they had been left off prior to the elections. This current stage, which started with the formal resumption of the talks on 26 May 2010, began with an agreement to focus discussions on the property chapter. Earlier negotiations on the property chapter had resulted in a joint paper on categories of affected property. In early September 2010, both sides offered comprehensive proposals on property; they have since been working towards "marrying" the two proposals. Discussions on the property issue have focused on the establishment of a property commission, mechanisms for exchange, the extent of restitution and types of compensation. New proposals were made that tackled the economic and financial dimensions of the property issue. The Turkish Cypriots have put forward fresh initiatives, and the Greek Cypriots have modified existing positions. Since May 2010 the leaders have met on the property issue 15 times, including two all-day meetings, one during the August break. In addition, the representatives and experts met 21 times to advance the property discussions at the more technical level.

22. I acknowledge that the question of property is arguably the most complex of the issues under negotiation, and recognize the efforts made by both sides to date to tackle the issue in a serious manner. Nevertheless, despite close to six months of discussions on this crucial issue, my Special Adviser has reported a worrying lack of progress in efforts to agree on a conceptual framework on property. Basic differences exist between the two sides. The Greek Cypriots hold, as a matter of

principle, that Greek Cypriots with property in the north should be able to choose among exchange, compensation or reinstatement. This is unacceptable to the Turkish Cypriots who say that between 70 and 80 per cent of the property in the north is owned by Greek Cypriots and that, if all Greek Cypriot property owners were to be allowed reinstatement, it would be impossible for the Turkish Cypriots to secure bizonality. The Turkish Cypriots request a ceiling on the number of Greek Cypriots who can have their properties reinstated. For the Greek Cypriots, this is unacceptable. For the time being, these two positions are irreconcilable.

23. We must be clear that, in order to negotiate successfully a bizonal, bicommunal federation, the two leaders will have to reconcile these and other seemingly irreconcilable issues across all six chapters. These include the issue of territory, as the Greek Cypriots have made it clear that it will be impossible for them to move forward without linking property discussions to the territory chapter. The Turkish Cypriots recently have said that territory is an issue they will discuss only in a multilateral conference that includes the two parties to the talks and the guarantor powers. On the Treaty of Guarantee, the Turkish Cypriots and Turkey insist that the Treaty remain, while the Greek Cypriots want it terminated.

24. I raised my concern about the progress during this current stage of the negotiations in phone calls with both leaders on 21 October 2010. I noted that the process had been slow in recent weeks and urged both leaders to achieve concrete advances in the current discussions on property in order to maintain momentum in the peace process. While the offering of substantive proposals on property represented important progress, such proposals could be useful only if used as a platform for seeking convergences, rather than as fixed positions.

25. On 18 November, I met with the two leaders in New York. The meeting, which lasted for four hours, including a working lunch, reviewed progress on all the chapters of the negotiations. I identified several core issues and asked the leaders to work on these and report back to me on progress at the end of January.

26. Throughout this process, the United Nations has assumed the role of facilitator for all aspects of the negotiation structure. No aspect of the elaborate negotiation structure, which includes the six working groups, seven technical committees and the full-fledged negotiations, has functioned without the constant support and presence of the United Nations. The good offices mission has enabled the process by assisting the parties to formulate ideas and overcome complex challenges while balancing the concerns of both sides and maintaining Cypriot ownership of the process. This support has been welcomed by both parties.

IV. Observations

27. A guiding principle of these negotiations is that they are both "Cypriot-led" and "Cypriot-owned", something that has been strongly supported by the United Nations in its words and actions. As such, both leaders must necessarily take responsibility for the course of the talks, for their success or their failure. No one else can do this. Cypriot leadership means that it is the leaders who must propel the process forward and defend it against those who would seek to derail it.

28. As I have said many times, the talks cannot be an open-ended process; however, I fear a critical window of opportunity is rapidly closing. It is true that the

leaders have met 88 times since the beginning of the full-fledged negotiations, and I commend them for this commitment. Nevertheless, the true measure of the success of the negotiations will not be in how many times the leaders have been able to meet, but in progress on finding mutually acceptable solutions to difficult issues. Talks for the sake of talks are ultimately not productive.

29. The process so far has been characterized by periods of sluggish activity, together with some flashes of dynamism ahead of important events. It is my concern that the political environment in the second quarter of 2011 will likely not be conducive to constructive negotiations. Parliamentary elections in the south are scheduled for May, while elections will be held in Turkey in June. In any society, intense political moments such as elections are rarely a time for compromises or flexibility. If substantive agreement across all chapters cannot be concluded ahead of the election cycle, the talks may go into abeyance, and there is a serious risk that the negotiations could founder fatally.

30. Recent opinion polls continue to show that, while there is an appetite for peace in both communities, public scepticism continues to grow regarding the potential success of the ongoing negotiations in reaching a lasting agreement. Polls indicate overwhelmingly low public expectations that a settlement will be reached, as well as distrust on both sides that, if a settlement were to be reached, the other side would have any serious intention of honouring it. A solution therefore needs more than a comprehensive plan. It needs strong and determined leadership that will make the public case for a united Cyprus, with all the benefits this would bring.

31. Despite the collegial atmosphere in which the leaders engage in the talks, the leaders' subsequent public rhetoric has not conveyed that the negotiations are moving forward. Throughout the process, political leaders, both in government and opposition, have accused the other side of undermining the talks. Occasional outbursts by the leaders about each other have not contributed to building public confidence in the leadership and the peace process. Both sides should not assume that, once a clear strategic commitment to present a settlement proposal has been made, public opinion will easily be pulled along. It is incumbent on the leaders to reverse the cycle of negative messaging.

32. The near-total official secrecy of the negotiations, based on the principle of "nothing is agreed until everything is agreed", while understandable from a practical standpoint, has also not been helpful on the public front. This tension between confidentiality and transparency has no easy solution in peace processes. Unfortunately, the only detailed information that the public has been given of the negotiations is as a result of the selective leaking of texts through the media. Not surprisingly, polls show the public in general would like to be better informed about what is happening in the talks and able to have more input into the process. Security Council resolutions have repeatedly urged the sides to prepare their respective publics "well in advance" of a referendum, and the March 2010 joint statement authorizes them, irrespective of the confidentiality of the talks, to inform their communities about the progress made so far and the differences that still need to be resolved. Leaving citizens largely in the dark until a comprehensive solution is more fully at hand is to potentially face an unprepared and unreceptive public at the time of the referendums.

33. I have been very disappointed to see a steady stream of untruthful and highly negative remarks about the United Nations reflected in the media. This criticism and

misinformation about the United Nations is most unfortunate. Efforts by opponents of a solution to undermine the credibility of the United Nations directly undermines the process itself.

V. Conclusion

34. On 21 October 2010, I spoke directly to each of the leaders. I reminded them of the high priority the international community attaches to ending divisions on the island. Peace negotiations are always difficult, and often arduous. In recognition of this, the United Nations has devoted significant humanitarian, peacemaking, financial and other resources to support reconciliation and socio-economic development in Cyprus over the past 47 years. Five Secretaries-General of the United Nations have dispatched good offices missions to the island to help facilitate peace negotiations. All of the Member States of the United Nations have extended their goodwill and support, in the expectation that the two communities would pursue a settlement aimed at reunifying the island in a positive and constructive spirit.

35. The international community has remained engaged in the Cyprus peace process because of the critical importance of a resolution for the island, as well as the region, and there is a clear expectation that it will succeed. On 21 December 2009, both sides expressed the strong hope that a solution of the Cyprus problem could be achieved by the end of 2010. The United Nations and the international community accepted this commitment. While some progress has been made, it has been frustratingly slow. When I visited the island in February, I urged the leaders of the two communities not to waste such a historic opportunity. International expectations were high that the leaders of Cyprus would rise to the challenge, and that a solution was within reach. It is disappointing that, as the end of the year approaches, those expectations have not been met.

36. Now is the moment to dedicate all efforts to bringing these negotiations to a successful conclusion. Having stated their commitment to the shared goal of a bizonal, bicommunal federation, the leaders of Cyprus are expected to make good on their commitment to that outcome. I also urge all regional actors to contribute positively, wherever they can, to help bring these negotiations to a rapid and successful conclusion. The United Nations stands ready to maintain its enabling role in a Cypriot-led, Cypriot-owned process.

37. From the beginning, the United Nations has supported this process objectively and wholeheartedly, and it is committed to continuing to do so. My Special Adviser, Alexander Downer, and his team have been working hard to be as helpful to this process as possible, and they have my full support. The United Nations will remain intensively engaged during this upcoming phase in the process; however, the destiny of Cyprus is largely in the hands of the leaders of both communities. In the coming days and weeks, they will set the future course for the island and its citizens. It is their choice to make.

VI. Recommendations

38. In the light of my assessment and observations, I propose below a number of recommendations for the consideration of both leaders and the communities.

39. As agreed in the meeting on 18 November, I will meet again with the leaders in January. At that time, the leaders should be fully prepared with a practical plan for overcoming the major remaining points of disagreement. I ask them to dedicate significant efforts to meeting this goal.

40. It is important, for the success of the peace talks, to improve the public atmosphere in which the negotiations are proceeding, particularly given that the success of the process will ultimately remain in the hands of the people, who will vote for an agreement in separate, simultaneous referendums which will take place in both communities. In view of the importance of ensuring a conducive environment for the negotiations, I would urge both leaders to carefully consider interactions with the press and to focus messages on convergences and the way ahead.

41. While recognizing the confidential nature of the negotiations, I would encourage the leaders to step forward individually and jointly to deliver more constructive and harmonized messages. This is their responsibility just as much as managing the talks is. This would enhance public trust and support for the peace process and make the task of the leaders easier by making information available in a constructive manner to both sides.

42. Recognizing the important role of political parties in both communities, as well as the mandate given to the two leaders by their respective communities to negotiate a settlement proposal, I believe that parliamentarians and political actors on both sides should more consistently demonstrate their support for the negotiation process by allowing the two leaders adequate space to negotiate a potential settlement in good faith.

43. The active participation and engagement of civil society in the effort to reach a solution and in its implementation are also a crucial aspect of the negotiations. Now, more than ever, as public support is flagging, civil society can play an important role in supporting the leaders and the process. In addition, mindful of the important role of women in peace negotiations, as recognized by the Security Council in resolution 1325 (2000), I would encourage the sides to continue their engagement with the Gender Advisory Team, consisting of civil society activists and scholars from across the island, and to seriously consider its gender-focused recommendations on the main areas under discussion in the peace talks.

44. The United Nations presence in Cyprus, comprising the office of my Special Adviser, the United Nations Peacekeeping Force in Cyprus (UNFICYP), the United Nations Development Programme and other United Nations agencies and programmes, has been operating in a distinct, yet coordinated and coherent, manner to support the efforts of the two sides to find a comprehensive and durable settlement. I have continued to engage in contingency planning in respect of UNFICYP, as mandated by the Security Council, taking into account developments on the ground and the views of the parties. In the coming months, I plan to conduct a broader assessment of the United Nations presence in Cyprus, with a view to recommending ways to adjust to ongoing developments.